

EXECUTIVE SECRETARIAT**Routing Slip**

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SUSPENSE		1400 14 July 82			

Remarks:

Please prepare comments/concurrence
for forwarding to Col. Wheeler for my
signature.

[Signature]
Executive Secretary
13 July 82
Date

2537 (10-81)

NSC review completed.

VIA LDX

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20505

4522 add-on

**UNCLASSIFIED WITH
SECRET ATTACHMENT**

July 12, 1982

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MEMORANDUM FOR DAVID PICKFORD**Executive Secretary
The Department of the Treasury**

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**Executive Secretary
Central Intelligence Agency****DENNIS WHITFIELD
Executive Assistant
to U.S. Trade Representative****SUBJECT: Issues and Objectives for the
State Visit of Prime Minister Gandhi
of India****Attached are proposed issues and objectives to be
addressed during the President's meeting with Prime
Minister Gandhi on July 29.****Your comments and/or concurrence would be appreciated
by close of business on Wednesday, July 14.****Thank you.***Michael O. Wheeler*
**Michael O. Wheeler
Staff Secretary****UNCLASSIFIED WITH
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C-371

SECRETISSUES AND OBJECTIVES FOR THE GANDHI VISIT

The Department recommends that the following principal issues be addressed during the President's July 29 meeting with Indian Prime Minister Indira Gandhi. Proposed U.S. objectives accompany each issue.

1. Issue: Shared Mutual Interests and Confidence

Objective: To demonstrate our interest in developing a more constructive relationship with a country important to U.S. regional security concerns.

India's size, military muscle, industrial power, and political stability give it the capability of taking actions which can significantly influence U.S. interests in South/Southwest Asia. We can promote our objectives by taking into account India's concerns in the subcontinent and elsewhere when these do not conflict seriously with our own. We want to bring about greater Indian recognition that there can be significant benefits to them from a more forthcoming approach toward the United States. In this regard, we want to reiterate earlier assurances that U.S. military aid to Pakistan is not directed against India, and to convince Mrs. Gandhi that the U.S. recognizes the importance of ~~democratic~~ India and desires to expand the extensive, long term basis for collaboration in such fields as trade, technology transfer, space and agriculture. A heightening of the rapport the President established with Mrs. Gandhi at Cancun can significantly contribute to these efforts.

2. Issue: South and Southwest Asian Regional Security

Objective: To stimulate further reevaluation of Indian policies in the region at a time of major change, and in particular to influence the Indians to press the Soviets more forthrightly to withdraw from Afghanistan.

The far-reaching developments in their region in recent years have challenged long-standing tenets of Indian foreign policy and led them to search for new approaches. While she differs with our Afghanistan policy, Mrs. Gandhi is increasingly troubled by the continued Soviet occupation, most importantly because she recognizes that it contributes to major regional changes inimical to Indian interests. Mrs. Gandhi's displeasure over apparent Soviet indifference to Indian concerns is an opportunity for us to influence her to step up Indian pressure for a Soviet withdrawal. We also want to encourage India to pursue other approaches which can promote regional stability, especially a resumed and broadened dialogue with Pakistan, and avoidance of a South Asian nuclear arms race.

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3. Issue: Major power relationships and the international scene

Objective: To further our long-term goal of a more balanced Indian relationship with the major powers through candid discussions of major foreign policy issues.

Some distancing in India's relationship with the Soviets and its willingness to negotiate with China over their border dispute indicate that India's major power relations may be evolving in directions potentially useful to us. A candid exchange of foreign policy views can contribute to our eventual goal of a more balanced Indian approach. It can also help further reduce Indian misperceptions of the broad objectives of U.S. policy. We should not expect any immediate, discernible change in stated Indian views, however.

4. Issue: International economic problems

Objective: To reassure India of our commitment to support economic development, in the context of broader U.S. policies.

Both as a leader of the Third World and as a major recipient of concessional assistance, India is concerned that U.S. policies toward IDA and other international economic institutions are detrimental to LDC interests. Indian officials interpret our approach as a sign of U.S. indifference, or worse, to India and fear that stagnation in aid will undermine the positive but politically risky steps they are taking to open up the Indian economy, such as allowing a greater role for the private sector. The improvement in India's business climate as well as its moderation on global economic issues offer new possibilities for mutually beneficial cooperation.

5. Issue: Nuclear Supply

Objective: To review progress made toward resolving the Tarapur controversy and, if possible, to announce its amicable settlement.

Although extensive consultation and possible legislative action remain to be carried out, there is now some prospect that an understanding can be reached with the Indians on the Tarapur nuclear supply issue. Announcement during Mrs. Gandhi's stay here of a settlement of this issue, long the most vexing in our bilateral relations, would substantially help in ensuring the success of the visit.

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